

Message Text

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PAGE 01 ISLAMA 09170 121237Z
ACTION NEA-10

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TAGS: EAGR, EGEN, EFIN, EIND, PK
SUBJECT: PNA ECONOMIC STRATEGY

REF: ISLAMABAD 9106

1. RECENT STATEMENTS BY VARIOUS PNA LEADERS INDICATE THAT THE PNA'S ECONOMIC PLATFORM WILL BE SIMILAR TO ITS MARCH MANIFESTO.
2. ALL THE STATEMENTS BY THE MAJOR PNA LEADERS HAVE EMPHASIZED THE INTRODUCTION OF AN ISLAMIC ECONOMY. WHILE ISLAM, LIKE MOST RELIGIONS, CALLS FOR FAIR AND JUST TREATMENT OF ALL MEN, THE PNA IS CALLING FOR CERTAIN SPECIFIC MEASURES TO IMPLEMENT THE NIZAM-I-MUSTAFA (LIFE ACCORDING TO THE TEACHINGS OF THE PROPHET).
3. MOST NOTABLE AMONG THESE IS THE ABOLITION OF INTEREST AND THE ENFORCEMENT OF ZAKAT, A TITHING SYSTEM. THE PNA RECOGNIZES THE REVOLUTIONARY NATURE OF SUCH CHANGES AND, PERHAPS DELIBERATELY, HAS BEEN VAGUE ABOUT HOW THESE CHANGES WOULD BE BROUGHT ABOUT.

4. EVEN BEFORE THE RECENT ECONOMIC INITIATIVES OF THE MLA

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PAGE 02 ISLAMA 09170 121237Z

(REFTTEL), PNA LEADERS HAD PROMISED DENATIONALIZATION OF AGRO--
BASED INDUSTRIES AND INCENTIVES TO THE PRIVATE SECTOR. THEIR
EARLIER PROMISES ALONG THIS LINE HAVE NOW BEEN LARGELY FULFILLED
BY THE MLA. HOWEVER, THE PRIVATE ENTERPRISE ORIENTATION OF THE
PNA WILL PRESEUMABLY LEAD TO FURTHER INITIATIVES OF THIS SORT.

5. IN CONNECTION WITH STATE-OWNED CORPORATIONS THE THE PNA HAS

VOWED TO STREAMLINE THE BUREAUCRATIC CONTROL OF THESE INDUSTRIES AND TO MORE PRECISELY DEFINE THE LINE BETWEEN THE PUBLIC AND PRIVATE SECTORS.

6. TO ENCOURAGE THE DEVELOPMENT OF AGRICULTURE, THE PNA HAS DECIDED TO DISTRIBUTE STATE LANDS AMONG THE LANDLESS AND PROVIDE AGRICULTURAL INPUTS TO FARMERS.

7. ON THE FOREIGN AID QUESTION, THE PNA HAS SAID IT WILL BE RESPONSIBLE FOR ALL DEBTS INCURRED BY THE PREVIOUS GOVERNMENT BUT WILL MAKE AN EFFORT NOT TO ENTER INTO NEW LOAN AGREEMENTS UNLESS ABSOLUTELY NECESSARY AND, WHEN NECESSARY, TO FIRST APPROACH OTHER ISLAMIC STATES BEFORE GOING TO THE CONSORTIUM.

8. SEVERAL PNA SPOKESMAN HAVE ADDRESSED THE PLIGHT OF THE WORKING CLASS. THE PNA SAYS IT WILL PROTECT WORKERS' RIGHTS AND PROMISES TO PROVIDE HOUSING, EDUCATION AND MEDICAL CARE FOR ALL WORKERS.

9. COMMENT: THE PNA IS COMPRISED OF A NUMBER OF PARTIES SOME OF WHICH WANT TO MOVE PAKISTAN TOWARD STRICTER OBSERVANCE OF MUSLIM IDEOLOGY. IT WOULD BE OUT OF CHARACTER FOR THEM NOT TO CALL FOR THE INTRODUCTION OF ISLAM INTO ECONOMIC POLICY AS WELL AS OTHER SPHERES OF ACTIVITY. THE FULL IMPLEMENTATION OF THE PNA'S ISLAMIC STRATEGY IS OBVIOUSLY IMPRACTICAL; HOWEVER, THE THRESHING AROUND BY A PNA GOVERNMENT FOR A VIABLE AND CONSISTENT ECONOMIC POLICY-- INCLUDING A SUBTERFUGE FOR INTEREST AND A LIMITED OFFICIAL USE

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PAGE 03 ISLAMA 09170 121237Z

WAY OF IMPOSING A WEALTH TAX WITHOUT CALLING IT A TAX -- MIGHT RESULT IN A PERIOD OF CONFUDION.

10. MOST OF THE ECONOMIC STRATEGIES PRESENTED BY THE PNA ARE IN THEIR MANIFESTO OF LAST MARCH. WE WOULD EXPECT THEIR NEW MANIFESTO, TO BE RELEASED SOMETIME AFTER SEPTEMBER 16, TO BE VERY CLOSE TO THE OLD ONE.

11. THE EMPHASIS ON THE WORKER SEEMS TO BE IN PART A REACTION TO BHUTTO'S POPULIST SPEECHES OF RECENT WEEKS; THERE SEEMS TO BE NOTHING SUBSTANTIALLY NEW IN THE PROPOSALS OF PARTY LEADERS. END COMMENT.

12. WE WILL SEND A MORE DETAILED ANALYSIS WHEN THE NEW PNA MANIFESTO IS AVAILABLE.
HUMMEL

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